GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1444
ANSWERED ON:11.03.2005
RATE OF INTEREST ON PF OF EMPLOYEES OF RBI
Panda Shri Prabodh

Will the Minister of FINANCE be pleased to state:

(a) whether the rate of interest paid on Provident Fund to the employees of the Reserve Bank of India is different at from the interest paid to the other employees in the banking and insurance and public sector;

(b) if so, the rates of interest being paid by the different banks including the Reserve Bank of India to their employees on their Provident Fund dues; and

(c) the reasons for variation in rates from employees in other sectors?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) :

(a) The rate of interest on Provident Fund of Employees of public sector banks and Insurance Sector is decided by their respective trusts based on the income received on the investments made by the trust. The rate of interest on the Provident Fund of Employees of Reserve Bank of India (RBI) is decided by RBI in terms of Reserve Bank of India Employees PF Regulation 1935 which are statutory in nature.

(b) and c) The rate of interest on PF of different banks is worked out under the Regulations under which they function. The RBI presently does not have information in this regard. The rate of interest on PF balances of employees of RBI has been decided at 8% per annum w.e.f. April 1, 2004 taking into consideration all relevant factors and the rate offered on EPF, GPF etc. Since the rates are decided by the Trust of each bank depending upon their income, it varies from bank to bank.